

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1546-AIR-E **TCEQ ID:** RN100633650 **CASE NO.:** 34654
RESPONDENT NAME: Lyondell Chemical Company

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Lyondell Chemical Channelview, 2502 Sheldon Road, Channelview, Harris County</p> <p>TYPE OF OPERATION: Chemical manufacturing plant</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is one additional pending enforcement actions regarding this facility location, Docket No. 2007-1866-AIR-E.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on March 10, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST:</p> <p>TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768</p> <p>TCEQ Enforcement Coordinator: Ms. Nadia Hameed, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3629; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171</p> <p>Respondent: Mr. Don Holloway, Environmental Superintendent, Lyondell Chemical Company, 2502 Sheldon Road, Channelview, Texas 77530</p> <p>Mr. David R. Seitz, Plant Manager, POSM, Lyondell Chemical Company, 2502 Sheldon Road, Channelview, Texas 77530</p> <p>Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: August 22, 2007</p> <p>Date of NOV/NOE Relating to this Case: September 6, 2007 (NOE)</p> <p>Background Facts: This was a routine record review.</p> <p>AIR</p> <p>Failed to prevent unauthorized emissions. Specifically, 1,275 pounds of benzene, a hazardous air pollutant, were released when the Respondent failed to properly design and maintain the seal flush tubing on Pump P-871A, resulting in an emissions event that occurred on May 23, 2007, and lasted for 25 minutes (Incident No. 91617). Since this emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met [30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 19613, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$10,000</p> <p>Total Deferred: \$2,000 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$4,000</p> <p>Total Paid to General Revenue: \$4,000</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:</p> <p>a. On September 24, 2007, changed the seal flush tubing from stainless steel to carbon steel to reduce material susceptibility to stress corrosion cracking;</p> <p>b. On September 24, 2007, repaired the drum level transmitter. Also, the preventative maintenance frequency for the transmitter was increased from two years to six months in order to prevent P-871 A/B pump cavitation due to the drum level controller being out of calibration;</p> <p>c. On November 28, 2007, notified the agency that the evaluation of alternate metallurgy/materials of construction that will be more resistant to stress corrosion cracking and acid pitting corrosion was completed on July 1, 2007; and</p> <p>d. On November 28, 2007, notified the agency that the training of operators on correct tubing installation techniques was completed on August 31, 2007.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)</p>

Additional ID No(s): HG1575W

Attachment A

Docket Number: 2007-1546-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Lyondell Chemical Company
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*.

SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision September 19, 2007

DATES	Assigned	10-Sep-2007	Screening	17-Sep-2007	EPA Due	2-Jun-2008
	PCW	20-Sep-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Lyondell Chemical Company
Reg. Ent. Ref. No.	RN100633650
Facility/Site Region	12-Houston
Major/Minor Source	Major

CASE INFORMATION	
Enf./Case ID No.	34654
Docket No.	2007-1546-AIR-E
Media Program(s)	Air
Multi-Media	
Admin. Penalty \$	Limit Minimum \$0 Maximum \$10,000
No. of Violations	1
Order Type	1660
Enf. Coordinator	Nadia Hameed
EC's Team	EnforcementTeam 5

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** \$5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 132% Enhancement **Subtotals 2, 3, & 7** \$6,600

Notes Penalty enhancement due to one 1660 agreed order, 15 same or similar NOV's, and 19 non-similar NOV's of which 13 were self-reported effluent violations. Penalty reduction for one Notice of Audit.

Culpability No 0% Enhancement **Subtotal 4** \$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 10% Reduction **Subtotal 5** \$500

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		X
N/A		(mark with x)

Notes The Respondent completed the corrective actions on September 24, 2007.

0% Enhancement* **Subtotal 6** \$0
 Total EB Amounts \$202
 Approx. Cost of Compliance \$21,680
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** \$11,100

OTHER FACTORS AS JUSTICE MAY REQUIRE 0% **Adjustment** \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$11,100

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** \$10,000

DEFERRAL 20% Reduction **Adjustment** -\$2,000

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY \$8,000

Screening Date 17-Sep-2007

Docket No. 2007-1546-AIR-E

PCW

Respondent Lyondell Chemical Company

Policy Revision 2 (September 2002)

Case ID No. 34654

PCW Revision September 19, 2007

Reg. Ent. Reference No. RN100633650

Media [Statute] Air

Enf. Coordinator Nadia Hameed

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	15	75%
	Other written NOVs	19	38%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 132%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Penalty enhancement due to one 1660 agreed order, 15 same or similar NOVs, and 19 non-similar NOVs of which 13 were self-reported effluent violations. Penalty reduction for one Notice of Audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 132%

Screening Date 17-Sep-2007 Respondent Lyondell Chemical Company Case ID No. 34654 Reg. Ent. Reference No. RN100633650 Media [Statute] Air Enf. Coordinator Nadia Hameed Violation Number <input type="text" value="1"/>	Docket No. 2007-1546-AIR-E <div style="text-align: right;"> PCW <small>Policy Revision 2 (September 2002)</small> <small>PCW Revision September 19, 2007</small> </div>																				
Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 19613, Special Condition No. 1 and Tex. Health & Safety Code § 382.085(b)																					
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Base Penalty <input type="text" value="\$10,000"/>																					
>> Environmental, Property and Human Health Matrix																					
OR	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 20%;">Major</th> <th style="width: 20%;">Moderate</th> <th style="width: 20%;">Minor</th> <th style="width: 30%;"></th> </tr> </thead> <tbody> <tr> <td>Release</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Actual</td> <td></td> <td style="text-align: center;">x</td> <td></td> <td>Percent <input type="text" value="50%"/></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Major	Moderate	Minor		Release					Actual		x		Percent <input type="text" value="50%"/>	Potential				
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annual	<input type="text"/>																				
single event	<input type="text"/>																				
Violation Base Penalty <input type="text" value="\$5,000"/>																					
One monthly event is recommended.																					
Economic Benefit (EB) for this violation																					
Statutory Limit Test																					
Estimated EB Amount <input type="text" value="\$202"/>	Violation Final Penalty Total <input type="text" value="\$11,100"/>																				
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$10,000"/>																					

Economic Benefit Worksheet

Respondent Lyondell Chemical Company
Case ID No. 34654
Reg. Ent. Reference No. RN100633650
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$20,180	23-May-2007	11-Jul-2007	0.1	\$9	\$181	\$190
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$500	23-May-2007	31-Aug-2007	0.3	\$7	n/a	\$7
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	23-May-2007	1-Jul-2007	0.1	\$5	n/a	\$5

Notes for DELAYED costs

Estimated cost for replacement of seal flush tubing material, repair of drum level transmitter and training. Date required is the date of the emissions event. Complete pump seal replacement was on July 11, 2007. Corrective actions for evaluating the correct metallurgy were completed on July 1, 2007, and operator training was completed on August 31, 2007.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$21,680

TOTAL

\$202

Compliance History

Customer/Respondent/Owner-Operator:	CN600344402	Lyondell Chemical Company	Classification: AVERAGE	Rating: 2.0
Regulated Entity:	RN100633650	LYONDELL CHEMICAL CHANNELVIEW	Classification: AVERAGE	Site Rating: 1.03
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD083472266	
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30676	
	UNDERGROUND INJECTION CONTROL	PERMIT	WDW162	
	UNDERGROUND INJECTION CONTROL	PERMIT	WDW037	
	UNDERGROUND INJECTION CONTROL	PERMIT	WDW148	
	AIR NEW SOURCE PERMITS	PERMIT	72168	
	AIR NEW SOURCE PERMITS	PERMIT	52056	
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HG1575W	
	AIR NEW SOURCE PERMITS	PERMIT	48597	
	AIR NEW SOURCE PERMITS	PERMIT	42082	
	AIR NEW SOURCE PERMITS	PERMIT	40092	
	AIR NEW SOURCE PERMITS	PERMIT	40094	
	AIR NEW SOURCE PERMITS	PERMIT	40093	
	AIR NEW SOURCE PERMITS	PERMIT	38432	
	AIR NEW SOURCE PERMITS	PERMIT	37654	
	AIR NEW SOURCE PERMITS	PERMIT	36353	
	AIR NEW SOURCE PERMITS	PERMIT	35477	
	AIR NEW SOURCE PERMITS	PERMIT	34833	
	AIR NEW SOURCE PERMITS	PERMIT	32435	
	AIR NEW SOURCE PERMITS	PERMIT	20416	
	AIR NEW SOURCE PERMITS	PERMIT	19613	
	AIR NEW SOURCE PERMITS	PERMIT	19155	
	AIR NEW SOURCE PERMITS	PERMIT	18103	
	AIR NEW SOURCE PERMITS	PERMIT	4121	
	AIR NEW SOURCE PERMITS	PERMIT	3346	
	AIR NEW SOURCE PERMITS	PERMIT	3286C	
	AIR NEW SOURCE PERMITS	PERMIT	3286B	
	AIR NEW SOURCE PERMITS	PERMIT	3286A	
	AIR NEW SOURCE PERMITS	PERMIT	2993	
	AIR NEW SOURCE PERMITS	REGISTRATION	76300	
	AIR NEW SOURCE PERMITS	REGISTRATION	76126	
	AIR NEW SOURCE PERMITS	REGISTRATION	75719	
	AIR NEW SOURCE PERMITS	REGISTRATION	70737	
	AIR NEW SOURCE PERMITS	PERMIT	72228	
	AIR NEW SOURCE PERMITS	REGISTRATION	72243	
	AIR NEW SOURCE PERMITS	REGISTRATION	73851	
	AIR NEW SOURCE PERMITS	REGISTRATION	74586	
	AIR NEW SOURCE PERMITS	REGISTRATION	74852	
	AIR NEW SOURCE PERMITS	REGISTRATION	77293	
	AIR NEW SOURCE PERMITS	REGISTRATION	77723	
	AIR NEW SOURCE PERMITS	REGISTRATION	77929	
	AIR NEW SOURCE PERMITS	REGISTRATION	78760	
	AIR NEW SOURCE PERMITS	REGISTRATION	78756	
	AIR NEW SOURCE PERMITS	AFS NUM	4820100417	
	AIR NEW SOURCE PERMITS	REGISTRATION	79199	
	AIR NEW SOURCE PERMITS	REGISTRATION	79706	
	AIR NEW SOURCE PERMITS	REGISTRATION	79727	
	AIR NEW SOURCE PERMITS	REGISTRATION	79543	
	AIR NEW SOURCE PERMITS	REGISTRATION	79945	
	AIR NEW SOURCE PERMITS	REGISTRATION	79375	
	AIR NEW SOURCE PERMITS	REGISTRATION	79542	
	AIR NEW SOURCE PERMITS	REGISTRATION	80386	
	AIR NEW SOURCE PERMITS	REGISTRATION	80344	
	AIR NEW SOURCE PERMITS	REGISTRATION	80610	
	AIR NEW SOURCE PERMITS	REGISTRATION	80995	
	AIR NEW SOURCE PERMITS	REGISTRATION	81217	
	AIR NEW SOURCE PERMITS	REGISTRATION	81465	
	AIR NEW SOURCE PERMITS	REGISTRATION	35412	
	AIR NEW SOURCE PERMITS	REGISTRATION	81958	
	AIR NEW SOURCE PERMITS	REGISTRATION	81902	
	AIR NEW SOURCE PERMITS	REGISTRATION	82122	
	WASTEWATER	PERMIT	WQ0002927000	
	WASTEWATER	EPA ID	TPDES0069493	

WASTEWATER	PERMIT	TX0069493
AIR OPERATING PERMITS	ACCOUNT NUMBER	HG1575W
AIR OPERATING PERMITS	PERMIT	1387
IHW CORRECTIVE ACTION	SOLID WASTE REGISTRATION #	30676
	(SWR)	
INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50288
COMPLIANCE PLANS		
INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50288
STORAGE		
INDUSTRIAL AND HAZARDOUS WASTE	PERMIT	50288
STORAGE		

Location: 2502 SHELDON RD, CHANNELVIEW, TX, 77530 Rating Date: 9/1/2007 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 14, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 17, 2002 to September 17, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: NHameed Phone: 713-767-3629

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 08/28/2006

ADMINORDER 2006-0236-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 3346, SC #1 PA

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: 2993, SC #1 PA

Description: Failed to prevent unauthorized emissions.

- B. Any criminal convictions of the state of Texas and the federal government.

N/A

- C. Chronic excessive emissions events.

N/A

- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

- 1 09/23/2002 (195966)
- 2 10/07/2002 (7642)
- 3 10/21/2002 (195969)
- 4 11/25/2002 (195973)
- 5 12/19/2002 (18262)
- 6 12/19/2002 (18256)
- 7 12/19/2002 (18245)
- 8 12/19/2002 (195977)
- 9 12/30/2002 (11569)
- 10 01/02/2003 (20458)
- 11 01/21/2003 (195981)
- 12 02/20/2003 (22471)
- 13 02/24/2003 (195940)

14	03/24/2003	(195944)
15	04/10/2003	(29211)
16	04/16/2003	(33785)
17	04/22/2003	(195949)
18	05/05/2003	(35473)
19	05/05/2003	(35468)
20	05/23/2003	(195953)
21	06/12/2003	(9686)
22	06/24/2003	(195957)
23	07/23/2003	(311431)
24	08/25/2003	(311434)
25	08/27/2003	(152711)
26	08/28/2003	(152812)
27	08/28/2003	(152889)
28	09/23/2003	(311436)
29	10/23/2003	(311438)
30	11/24/2003	(311439)
31	12/18/2003	(257381)
32	12/29/2003	(311440)
33	01/12/2004	(251265)
34	01/21/2004	(255768)
35	01/23/2004	(260690)
36	01/23/2004	(251263)
37	01/23/2004	(311441)
38	02/13/2004	(262467)
39	02/23/2004	(311422)
40	03/18/2004	(264007)
41	03/22/2004	(311424)
42	04/16/2004	(266028)
43	04/16/2004	(266032)
44	04/23/2004	(311425)
45	04/23/2004	(311432)
46	05/10/2004	(271276)
47	05/19/2004	(270549)
48	05/19/2004	(270546)
49	05/25/2004	(311427)
50	06/18/2004	(264062)
51	06/18/2004	(264475)
52	06/22/2004	(311429)
53	06/30/2004	(262599)
54	07/02/2004	(271813)
55	07/09/2004	(258715)
56	08/24/2004	(358578)
57	08/27/2004	(287833)
58	08/29/2004	(267181)
59	08/31/2004	(276438)
60	08/31/2004	(269872)
61	09/02/2004	(260274)
62	09/13/2004	(282406)
63	09/13/2004	(282393)
64	09/23/2004	(358579)
65	09/23/2004	(358582)
66	10/25/2004	(358580)
67	11/03/2004	(338119)
68	11/08/2004	(340135)
69	11/11/2004	(291956)
70	11/12/2004	(284836)
71	11/18/2004	(358581)
72	12/16/2004	(340503)
73	12/20/2004	(339912)
74	12/21/2004	(339852)
75	12/27/2004	(276629)
76	12/27/2004	(385438)
77	01/05/2005	(284665)
78	01/10/2005	(255336)
79	01/10/2005	(284800)
80	01/12/2005	(285665)

81	02/14/2005	(291922)
82	02/23/2005	(385436)
83	03/09/2005	(372650)
84	03/09/2005	(371880)
85	03/09/2005	(371879)
86	03/09/2005	(371877)
87	03/22/2005	(385437)
88	03/31/2005	(267631)
89	04/05/2005	(375834)
90	04/08/2005	(346498)
91	04/25/2005	(423472)
92	04/25/2005	(377584)
93	04/25/2005	(377588)
94	05/02/2005	(374510)
95	05/03/2005	(375619)
96	05/18/2005	(376737)
97	05/24/2005	(423473)
98	05/24/2005	(379353)
99	05/24/2005	(380532)
100	05/24/2005	(379356)
101	05/24/2005	(376735)
102	05/25/2005	(379095)
103	06/02/2005	(393710)
104	06/02/2005	(393720)
105	06/14/2005	(350385)
106	06/14/2005	(350303)
107	06/21/2005	(423474)
108	06/21/2005	(423475)
109	07/25/2005	(444278)
110	08/03/2005	(350551)
111	08/10/2005	(401944)
112	08/10/2005	(401952)
113	08/13/2005	(380529)
114	08/23/2005	(444279)
115	08/29/2005	(418370)
116	09/23/2005	(444280)
117	09/23/2005	(444281)
118	10/24/2005	(474769)
119	10/25/2005	(380533)
120	11/22/2005	(474770)
121	11/30/2005	(433627)
122	12/21/2005	(474771)
123	12/28/2005	(497001)
124	02/15/2006	(380530)
125	02/24/2006	(474767)
126	03/06/2006	(452865)
127	03/21/2006	(453942)
128	03/23/2006	(474768)
129	03/24/2006	(453791)
130	03/31/2006	(457307)
131	03/31/2006	(455536)
132	04/20/2006	(462439)
133	04/20/2006	(462445)
134	04/21/2006	(456404)
135	04/24/2006	(502479)
136	05/01/2006	(463965)
137	05/21/2006	(465560)
138	05/21/2006	(465556)
139	05/22/2006	(465810)
140	05/23/2006	(502480)
141	05/26/2006	(467570)
142	05/26/2006	(467504)
143	05/26/2006	(467510)
144	05/26/2006	(467527)
145	05/26/2006	(467540)
146	05/26/2006	(467550)
147	06/21/2006	(502481)

148	07/06/2006	(455578)
149	07/25/2006	(524806)
150	07/28/2006	(481675)
151	08/08/2006	(462744)
152	08/15/2006	(488073)
153	08/15/2006	(486078)
154	08/21/2006	(524807)
155	08/23/2006	(485002)
156	08/23/2006	(485009)
157	08/29/2006	(497537)
158	08/29/2006	(497530)
159	09/25/2006	(549715)
160	10/13/2006	(515848)
161	10/24/2006	(549716)
162	11/13/2006	(518381)
163	11/14/2006	(518836)
164	11/27/2006	(549717)
165	11/29/2006	(345458)
166	12/19/2006	(549718)
167	01/18/2007	(549719)
168	01/19/2007	(553727)
169	01/29/2007	(533297)
170	02/22/2007	(583821)
171	02/26/2007	(533308)
172	02/27/2007	(534697)
173	03/22/2007	(583822)
174	04/05/2007	(593298)
175	04/09/2007	(554505)
176	04/23/2007	(583823)
177	04/25/2007	(555802)
178	04/25/2007	(555806)
179	04/25/2007	(555359)
180	04/25/2007	(555365)
181	05/09/2007	(541602)
182	05/22/2007	(583824)
183	05/23/2007	(556219)
184	06/25/2007	(583825)
185	06/26/2007	(554500)
186	07/06/2007	(542673)
187	07/23/2007	(583826)
188	07/24/2007	(564711)
189	07/24/2007	(564712)
190	08/07/2007	(567748)
191	08/31/2007	(574405)
192	09/06/2007	(565822)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date	10/31/2002	(195973)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	11/30/2002	(195977)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	06/24/2003	(11569)		
Self Report?	NO		Classification	Moderate
Citation:	5C THC Chapter 382, SubChapter A 382.085(a)			
Description:	Failure to prevent the release of air pollutants into the air.			
Date	06/30/2003	(311431)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	08/31/2003	(311436)		

Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/21/2004	(255768)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)		
Rqmt Prov:	PERMIT TCEQ AIR PERMIT #19613, SC #1		
Description:	Lyondell failed to control benzene emissions during process operations in the POSM I unit.		
Date	02/29/2004	(311424)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	04/30/2004	(311427)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	06/18/2004	(264062)	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter F 101.201(g)		
Description:	Lyondell failed to submit the Final Report via STEERS.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit #19613 SC #1		
Description:	Lyondell failed to prevent an emissions event that could have been foreseen and avoided, and could have been avoided by good design, operation, and maintenance procedures.		
Date	06/18/2004	(264475)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit #4121, GC #8		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	07/09/2004	(258715)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)[G] 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit #R4121, GC #8		
Description:	Exceeded VOC permit limit during an avoidable emissions event.		
Date	08/29/2004	(267181)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA Permit No. 2993, SC 1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	08/31/2004	(287833)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(2) 30 TAC Chapter 115, SubChapter D 115.352(4) 30 TAC Chapter 116, SubChapter B 116.115(c) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)		
Rqmt Prov:	PA Permit #3346, Special Condition 10E		
Description:	Lyondell Chemical Company, (LCC) failed to cap or plug valves/lines # 1001 and #123 in the Ethylbenzene II, (EB II) Unit.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(2) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(2)		
Description:	Two leaking lines next to valves #543, and #1157 with cap/plug, and with VOC emissions above 500 ppm		
Date	11/30/2004	(385438)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/27/2004	(276629)	

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit No. 19613, SC #1		
Description:	Exceeded VOC permit limit during an avoidable emissions event.		
Date	01/05/2005	(284665)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit #2993, SC #1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	01/10/2005	(255336)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Permit No. 4121, SC #1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	01/12/2005	(285665)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PA 19613, SC No. 1		
Description:	Exceeded permit limits during an avoidable emissions event.		
Date	01/31/2005	(385436)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	03/09/2005	(371877)	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 335, SubChapter F 335.152(a)(7) 40 CFR Chapter 264, SubChapter I, PT 264, SubPT I 264.174		
Description:	Failed to complete inspection logs to document observations noted during weekly inspections of containers		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 335, SubChapter E 335.112(a)(3) 4C THC Chapter 265, SubChapter A 265.052[G]		
Description:	Failed to update the emergency coordinator information of the facility's Contingency Plan		
Date	03/09/2005	(371880)	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 335, SubChapter H 335.221(a)(14) 40 CFR Chapter 266, SubChapter I, PT 266, SubPT H 266.103(i)(3)[G]		
Description:	Failed to conduct AWFCO system tests		
Date	09/30/2005	(474769)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	11/30/2005	(474771)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/28/2005	(497001)	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Date	12/31/2005	(444281)	
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	03/23/2006	(453791)	
Self Report?	NO	Classification	Major
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to maintain compliance with permit limits for total suspended solids (TSS) and		

pH at outfall 001. TSS violations were reported for January 2005, September 2005, November 2005 and December 2005. In addition, a pH violation was reported in October 2005.

Date 03/31/2006 (502479)

Self Report? YES

Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date 10/31/2006 (549717)

Self Report? YES

Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date 11/14/2006 (518836)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA 3346, SC No. 1

Description: Exceeded permit limits during an avoidable emissions event.

Date 01/19/2007 (553727)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)

Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)

Description: NON-RPT VIOS FOR MONIT PER OR PIPE

Date 01/29/2007 (533297)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA 20416, SC No. 1

Description: Exceeded permit limits during an avoidable emissions event.

Date 02/23/2007 (533308)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA 19155, SC No. 11

Description: Exceeded permit limits during an avoidable emissions event.

Self Report? NO

Classification Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

Description: Failure to submit Initial Notification within 24 hours of discovery.

Date 02/27/2007 (534697)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: PA 2993, SC No. 1

Description: Exceeded permit limits during an avoidable emissions event.

Date 04/05/2007 (593298)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 305, SubChapter F 305.125(17)

Description: NON-RPT VIOS FOR MONIT PER OR PIPE

F. Environmental audits.

Notice of Intent Date: 02/03/2003 (33158)

No DOV Associated

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
LYONDELL CHEMICAL COMPANY
RN100633650

§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2007-1546-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Lyondell Chemical Company ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a chemical manufacturing plant at 2502 Sheldon Road in Channelview, Harris County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 11, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Ten Thousand Dollars (\$10,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Four Thousand Dollars (\$4,000) of the administrative penalty and Two Thousand Dollars (\$2,000) is deferred contingent upon the Respondent's timely and satisfactory compliance with all

the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Four Thousand Dollars (\$4,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. On September 24, 2007, the Respondent changed the seal flush tubing from stainless steel to carbon steel to reduce material susceptibility to stress corrosion cracking;
 - b. On September 24, 2007, the Respondent repaired the drum level transmitter. Also, the preventative maintenance frequency for the transmitter was increased from two years to six months, in order to prevent P-871 A/B pump cavitation due to the drum level controller being out of calibration;
 - c. On November 28, 2007, the Respondent notified the agency that the evaluation of alternate metallurgy/materials of construction that will be more resistant to stress corrosion cracking and acid pitting corrosion was completed on July 1, 2007; and
 - d. On November 28, 2007, the Respondent notified the agency that the training of operators on correct tubing installation techniques was completed on August 31, 2007.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Air Permit No. 19613, Special Condition No. 1 and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 22, 2007. Specifically, 1,275 pounds of benzene, a hazardous air pollutant, were released when the Respondent failed to properly design and maintain the seal flush tubing on Pump P-871A, resulting in an emissions event that occurred on May 23, 2007, and lasted for 25 minutes (Incident No. 91617). Since this emissions event was avoidable, the demonstrations in 30 TEX. ADMIN. CODE § 101.222 necessary to present an affirmative defense were not met.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Lyondell Chemical Company, Docket No. 2007-1546-AIR-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Four Thousand Dollars (\$4,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or

other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

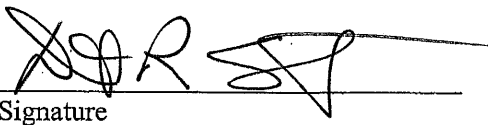
3/7/2008
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

12/13/2007
Date

David R. Seitz

Name (Printed or typed)

Authorized Representative of
Lyondell Chemical Company

Plant Manager, POSM

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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Attachment A
Docket Number: 2007-1546-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Lyondell Chemical Company
Payable Penalty Amount:	Eight Thousand Dollars (\$8,000)
SEP Amount:	Four Thousand Dollars (\$4,000)
Type of SEP:	Pre-approved
Third-Party Recipient:	Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program
Location of SEP:	Harris County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Harris County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality*.

SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

